

**KEDM**  
**A PUBLIC TELECOMMUNICATIONS ENTITY**  
**OPERATED BY**  
**THE UNIVERSITY OF LOUISIANA AT MONROE**

*Financial Statements*  
*For the Years Ended June 30, 2007 and 2006*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/2/08



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JUNE 30, 2007 AND 2006

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# CAMERON, HINES & HARTT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
University of Louisiana at Monroe:

We have audited the accompanying statements of financial position of KEDM (A Public Telecommunications Entity operated by University of Louisiana at Monroe) as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KEDM as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana

October 18, 2007

KEDM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE  
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2007	2006
<u>ASSETS</u>		
Claim on Cash	\$ 109,842	\$ 142,917
Accounts Receivable	8,000	-
Equipment, Net	130,032	126,532
<u>TOTAL ASSETS</u>	<u>\$ 247,874</u>	<u>\$ 269,449</u>
 <u>LIABILITIES</u>		
Accounts Payable	\$ 804	\$ 7,256
 <u>NET ASSETS</u>		
Temporarily Restricted	24,269	26,305
Unrestricted	222,801	235,888
Total Net Assets	247,070	262,193
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 247,874</u>	<u>\$ 269,449</u>

The accompanying notes are an integral part of these financial statements.

KEDM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
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STATEMENTS OF ACTIVITIES

	For the Years Ended	
	June 30,	
	<u>2007</u>	<u>2006</u>
<u>Changes in Unrestricted Net Assets</u>		
Revenues & Gains:		
Contributions		
Underwriting	\$ 75,941	\$ 60,555
Membership	69,092	69,421
Special Events and Other	106,711	129,892
Support Provided by the University of Louisiana at Monroe	319,443	317,376
Total Unrestricted Revenues & Gains	<u>571,187</u>	<u>577,244</u>
<u>Net Assets Released From Restrictions</u>		
Satisfaction of Program Restrictions	126,106	125,908
Total Unrestricted Revenues & Gains, and Other Support	<u>697,293</u>	<u>703,152</u>
<u>Expenses</u>		
Advertising	167	3,966
Depreciation	14,335	15,404
Dues & Subscriptions	121,450	136,532
Maintenance	861	1,319
Materials & Supplies	32,886	58,177
Occupancy	74,085	66,882
Other	24,783	5,959
Postage & Shipping	3,598	2,597
Printing	2,696	237
Professional Fees	7,509	24,878
Salaries & Wages	407,920	397,846
Telephone	882	1,576
Travel	7,289	4,019
Utilities	27,950	25,274
Total Expenses	<u>726,411</u>	<u>744,666</u>
Decrease in Unrestricted Net Assets	(29,118)	(41,514)
<u>Changes in Temporarily Restricted Net Assets</u>		
National Program Production and Acquisition Grant		
	124,848	148,266
Net Assets Released From Restrictions	(126,884)	(125,908)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(2,036)</u>	<u>22,358</u>
<u>Decrease in Net Assets</u>	(31,154)	(19,156)
<u>Net Assets at Beginning of Year (Restated)</u>	<u>278,224</u>	<u>281,349</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 247,070</u>	<u>\$ 262,193</u>

The accompanying notes are an integral part of these financial statements.

KEDM  
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STATEMENTS OF CASH FLOWS

	For the Years Ended	
	June 30,	
	2007	2006
<u>Cash Flows From Operating Activities</u>		
Decrease in Net Assets	\$ (31,154)	\$ (19,156)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	14,335	15,404
Change In:		
Accounts Receivable	(8,000)	-
Pledges Receivable	-	135
Accounts Payable	(6,452)	(890)
Purchase of Equipment	(17,835)	-
Total Adjustments	(17,952)	14,649
Net Cash Used by Operating Activities	(49,106)	(4,507)
<u>Claim on Cash at Beginning of Year (Restated)</u>	158,948	147,424
<u>CLAIM ON CASH AT END OF YEAR</u>	\$ 109,842	\$ 142,917

The accompanying notes are an integral part of these financial statements.

KEDM  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

Note 1. -Summary of Significant Accounting Policies

A. Organization

KEDM (the Station) is a noncommercial radio station operated by the University of Louisiana at Monroe. The Station adheres to the standards of accounting and reporting as described in Principles of Accounting and Financial Reporting for Public Telecommunication Entities published by the Corporation for Public Broadcasting.

B. Basis of Accounting

The financial statements of the Station have been prepared on the accrual basis. The significant accounting policies followed by the Station are described below to enhance the usefulness of the financial statements to the reader.

C. Basis of Presentation

The Station has adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*.

SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Station and/or the passage of time. There were \$24,269 and \$26,305 in temporarily restricted net assets at June 30, 2007 and 2006, respectively.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Station. Generally, the donors of these assets permit the Station to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted net assets at June 30, 2007 and 2006, respectively.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Revenue Recognition

Membership contributions and support from the University are recorded as revenue in the Statement of Activity when received. Restricted gifts and grants are recorded as revenue in the Statement of Activity to the extent that they have been expended for the purpose specified by the donor or grantor during the period.

F. Donated Facilities and Administrative Support

Donated facilities and administrative support from the University consist of office and studio space and an allocation of costs and certain other expenses incurred by the University on behalf of the Station.

Note 2 - Property and Equipment

Fixed assets are stated at cost when purchased or constructed. If acquired by gift, they are recorded at an objective, verifiable basis which is, in the judgement of Station management, a fair value for the Station's purposes (no independent third party appraisal is obtained). Expenditures for repairs and maintenance are charged to operating expense as incurred. Fixed assets are depreciated using the straight-line method over the estimated useful lives (5-30 years) of the individual assets. Depreciation expense amounted to \$14,335 and \$15,404 in 2007 and 2006, respectively.

Net property value at June 30, 2007 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,088	\$ 13,088	\$ -
Office Equipment	57,993	41,196	16,797
Radio Tower	240,000	129,333	110,667
Electronic Equipment	438,042	435,474	2,568
<b><u>TOTAL</u></b>	<b><u>\$ 749,123</u></b>	<b><u>\$ 619,091</u></b>	<b><u>\$ 130,032</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

Note 2 - Property and Equipment (Continued)

Net property value at June 30, 2006 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,088	\$ 13,088	\$ -
Office Equipment	40,159	40,159	-
Radio Tower	240,000	121,333	118,667
Electronic Equipment	438,042	430,177	7,865
<b><u>TOTAL</u></b>	<b><u>\$ 731,289</u></b>	<b><u>\$ 604,757</u></b>	<b><u>\$ 126,532</u></b>

Note 3 - Restatement of Beginning Net Assets

In prior year, the activity from the KEDM Studio Development Fund and the KEDM Public Radio Antenna Fund was not included in the June 30, 2006 financial statements. The activity from these funds has been reflected in the current year financial statements. Including this activity had the following affect on beginning net assets:

Net Assets at July 1, 2006 prior to restatement	\$ 262,193
Restatement	<u>16,031</u>
<b><u>NET ASSETS AT JULY 1, 2006 AS RESTATED</u></b>	<b><u>\$ 278,224</u></b>